



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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September 2, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 4 TO AGREEMENT NO. H-208588
WITH MERRY X-RAY CHEMICAL CORPORATION
(All Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Director of Health Services, or his designee, to sign Amendment No. 4 to Agreement No. H-208588, substantially similar to Exhibit I, with Merry X-Ray Chemical Corporation, as a sole source provider, to add equipment maintenance and repair services, including replacement parts, for the Water Saver Plus Units, a water saving system designed for medical x-ray film processing equipment, located at various County facilities, effective upon the date of Board approval through June 30, 2005, at an estimated total net County cost of \$39,900.
2. Delegate authority to the Director of Health Services, or his designee, to offer and sign future amendments, with substantially similar terms to Exhibit I, following County Counsel review and approval, to Agreement No. H-208588 with Merry X-Ray Chemical Corporation, to add or delete equipment to/from this Agreement, for maintenance and repair services up to 10% of the maximum obligation, effective upon the date of Board approval through June 30, 2005.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

Merry X-Ray Chemical Corporation (Merry X-Ray) currently provides medical x-ray film processor maintenance and repair services, and collection and disposal of medical x-ray chemicals at various County facilities. The recommendation to add equipment maintenance and repair services for the Water Saver Plus units to Merry X-Ray's current agreement as a sole source provider is appropriate, since Merry X-Ray is the only authorized service company for these units within Southern California.

The Water Saver Plus units are uniquely designed for medical x-ray film processing equipment and will reduce the amount of water used by 98%. The manufacturer's warranty for the units currently in use has expired and adding the equipment maintenance and repair services for these units to the Merry X-Ray agreement will ensure that this vital water saving equipment will continue to run properly and provide a monetary benefit to the County.

In addition, delegated authority is being requested to add additional equipment to Agreement No. H-208588 with Merry X-Ray, as the equipment's manufacturer warranty, extended warranty, or purchase order expires, to ensure that no lapse in routine and emergency maintenance and repair services occur and to delete equipment no longer in use by the County facility.

FISCAL IMPACT/FINANCING:

The estimated total net County cost for Amendment No. 4 to Agreement No. H-208588 with Merry X-Ray is \$39,900, exclusive of costs for replacement parts, effective date of Board approval through June 30, 2005. The cost of the equipment maintenance and repair services will be offset by the potential water saving costs to the County, as a result of using the Water Saver Plus units at each County facility.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On August 19, 1997, the Board approved Agreement No. H-208588 with Merry X-Ray for the provision of medical x-ray film processor maintenance and repair services and collection and disposal of medical x-ray chemicals at various Department of Health Services (Department), Department of Coroner and Sheriff's Department health facilities, effective August 19, 1997 through September 30, 2000, for a maximum County obligation of \$760,896 in net County cost. Subsequently, the Board approved Amendment Nos. 1, 2, and 3 that provided for extensions to the term and increases to the maximum obligation through June 30, 2005.

During Fiscal Year 2003-04, the Department purchased Water Saver Plus units through various purchase orders. Amendment No. 4 will provide for both routine and emergency equipment maintenance and repair services for those units. The Department has made a determination that the services are of a professional nature and are required on a bi-weekly basis.

Attachment A provides additional information.

The amendment (Exhibit I) has been approved as to form by County Counsel.

CONTRACTING PROCESS:

The Department has determined that Merry X-Ray is the only authorized service company for the Water Saver Plus equipment for Southern California. Therefore, these services were awarded on a sole source basis and were not advertised as a contracting opportunity on the Los Angeles County Online Website.

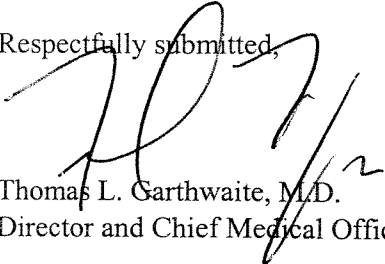
The Honorable Board of Supervisors
September 2, 2004
Page 3

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Board approval to add equipment maintenance and repair services for the Water Saver Plus units to Merry X-Ray's existing Agreement No. H-208588 will ensure that these units will be properly maintained and serviced bi-weekly, enabling the County to benefit from the water savings cost, and ensuring that the equipment is properly maintained.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:lvb

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

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SUMMARY OF AMENDMENT1. TYPE OF SERVICE:

Equipment maintenance and repair services for the Water Saver Plus units located at various County facilities.

2. AGENCY ADDRESS AND CONTACT PERSON:

Merry X-Ray Chemical Corporation (Merry X-Ray)
 1422 Gardena Avenue
 Glendale, California 91204-2784
 Attention: Alan Lewin, Manager
 Telephone: (818) 240-8370

3. TERM:

Date of Board approval through June 30, 2005.

4. FINANCIAL INFORMATION:

The estimated total net County cost for Amendment No. 4 to Agreement No. H-208588 with Merry X-Ray is \$39,900, exclusive of costs for replacement parts, effective date of Board approval through June 30, 2005, for the following Water Saver Plus units located at:

LAC+USC Medical Center, 12 units:	\$12,600
El Monte Comprehensive Center, 4 units:	\$ 4,200
Roybal Comprehensive Center, 4 units:	\$ 4,200
King/Drew Medical Center, 16 units:	\$16,800
Olive View Medical Center, 2 units:	<u>\$ 2,100</u>
Total	\$39,900

Cost is based on 21 (bi-weekly) service visits through June 30, 2005, at a rate of \$50.00 per visit for each unit. The cost of the equipment maintenance and repair services will be offset by the potential water saving costs to the County, as a result of using the Water Saver Plus units at each County facility.

5. GEOGRAPHIC AREA SERVED:

All Districts.

6. PERSON ACCOUNTABLE FOR PROGRAM MONITORING:

LAC + USC Medical Center:	Pete Delgado, CEO
King/Drew Medical Center:	David Runke, Interim CEO
Olive View Medical Center:	Melinda Anderson, CEO

7. APPROVALS:

LAC+USC Medical Center:	Pete Delgado, CEO
King/Drew Medical Center:	David Runke, Interim CEO
Olive View/UCLA Medical Center:	Melinda Anderson, CEO
Contract Administration:	Irene E. Riley, Director
County Counsel:	Stephanie Farrell, Deputy County Counsel

EXHIBIT I

Contract # H-208588-4

MEDICAL EQUIPMENT MAINTENANCE AND
REPAIR SERVICES AGREEMENT

AMENDMENT NO. 4

THIS AMENDMENT is made and entered into this _____ day
of _____, 2004,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

MERRY X-RAY CHEMICAL CORPORATION
(hereafter "Contractor").

WHEREAS, on August 19, 1997, County and Contractor entered
into an Equipment Maintenance and Repair Services Agreement further
identified as Agreement No. H-208588, and any amendments thereto
(all hereafter referred to as "Agreement"); and

WHEREAS, pursuant to sections 1441 and 1445 of the
California Health and Safety Code, County has established and
maintains, through its Department of Health Services, various
County hospitals, health centers and comprehensive health centers
(all hereafter referred to as "Facilities"); and

WHEREAS, Contractor is duly licensed and certified in
California, and Contractor is equipped and staffed to provide the
services described hereunder and possesses the competence,
equipment, licenses, expertise and personnel required to provide
such services; and

WHEREAS, it is the intent of the parties hereto to amend Agreement to add additional services to the Agreement for equipment located at Facilities, and make other changes described hereinafter; and

WHEREAS, County is authorized by California Government Code Section 31000 to contract for these services; and

WHEREAS, for the period of this Amendment, Contractor otherwise agrees to provide Facilities with such equipment maintenance and repair services in accordance with the terms and conditions in the Agreement; and

WHEREAS, the Agreement provides that changes may be made in the form of a written Amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties agree hereto as follows:

1. This Amendment shall commence upon the date of its approval by County's Board of Supervisors and shall continue in full force and effect to and including June 30, 2005.

2. Paragraph 1, CONTRACTOR RESPONSIBILITIES, of Exhibit A-2 of Agreement, shall be amended to add Subparagraph E., Water Saver Plus Units, as follows:

"E. Water Saver Plus Units: For the Water Saver Plus (WSP) units located at County's LAC+USC Medical Center, 12 units; El Monte Comprehensive Health Center, 4 units; Roybal Comprehensive Health Center, 4 units; King/Drew Medical Center, 16 units; and Olive View/UCLA Medical Center, 2 units; Contractor shall:

1) Provide routine preventive maintenance services every two (2) weeks. Preventive maintenance service will be performed between the hours of 7:00 a.m. and 5:00 p.m., Monday through Friday. Preventive maintenance services shall include, but not be limited to the following:

- a. Drain WSP holding tank;
- b. Clean WSP tank interior;
- c. Wipe down exterior of WSP;
- d. Inspect outgoing screen for blockage;
- e. Fill WSP Water tank;
- f. Check for proper inflow;
- g. Top off algaecide tank;
- h. Test water fill solenoid for proper operation;
- i. Test algaecide solenoid for proper operation;
- j. Adjust clock and timer;
- k. Insure unit is operating properly;
- l. Inspect, lubricate, and any functional tests or adjustments necessary to facilitate proper functioning of the equipment; and
- m. Replace broken or defective parts with new parts specifically designed, manufactured and sold by the equipment manufacturer for the WSP units requiring said parts; provide said

replacement parts at a cost to County of no more than 80 percent of the price on the manufacturer's price list, as of the date of execution of this amendment.

2) Respond to service calls made to the repair service center at (818) 240-8370, during regular business hours of 7:00 a.m. through 5:00 p.m., Monday through Friday. Provide any needed replacement parts with new parts specifically designed, manufactured and sold by the equipment manufacturer for the WSP units requiring said parts; provide said replacement parts at a cost to County of no more than 80 percent of the price on the manufacturer's price list, as of the date of execution of this amendment.

Contractor will respond telephonically and service personnel will be on site at the Facility requesting service within two (2) hours after receipt of service call.

3) Provide emergency repair services. Provide any needed replacement parts with new parts specifically designed, manufactured and sold by the equipment manufacturer for the WSP units requiring said parts; provide said replacement parts at a cost to County of no more than 80 percent of the price on the manufacturer's price list, as of the date of execution of this amendment.

Emergency repair services will be performed after regular business hours and is available twenty-four (24) hours a day, seven (7) days per week, three hundred sixty-five (365) days a year, including all legal holidays.

Emergency repair service calls should be made to (818) 240-8370 and will be answered by Contractor's automated after hours dispatch system. The caller will be prompted to leave specific information and the request for service will be responded to by one of three (3) service technicians on call at all times. Service personnel will be on site at the Facility requesting service within two (2) hours after receipt of a request for emergency repair service.

4) Replace and/or repair any WSP unit and/or parts which suffer breakage or loss at the time of servicing or repair, at no additional cost to County.

5) Re-work improperly repaired WSP unit, correct any equipment damage resulting therefrom, and supply all necessary parts and materials therefore at no additional charge to County. Service personnel shall also repair or replace any defective parts purchased and installed by such service personnel and shall repair any damage to WSP unit resulting therefrom at no additional cost to County.

6) Provide each Facility with all maintenance records and documentation required by licensing and accreditation agencies. Each WSP unit shall have a permanent service record attached to it for County staff to access the date of last service performed.

7) Certify that it will be in compliance with all guidelines and requirements by the County of Los Angeles and will furnish written proof upon request.

8) Provide a yearly schedule, in advance, for each scheduled preventive maintenance service to be performed. Said schedule will be in the Contractor's proprietary data format."

3. Paragraph 3, COMPENSATION, of Exhibit A-2 of the Agreement, shall be amended to add subparagraph D, Water Saver Plus Units, as follows:

"D. Water Saver Plus Units: County shall compensate Contractor monthly in arrears for routine preventive maintenance services, as described in Subparagraph E, Section 1, of the CONTRACTOR RESPONSIBILITIES paragraph, provided every two (2) weeks at a rate of \$50.00 per visit for the WSP units located at the following Facilities:

- a). LAC+USC Medical Center, 12 units;
- b). El Monte Comprehensive Health Center, 4 units;
- c). Royal Comprehensive Health Center, 4 units;
- d). King/Drew Medical Center, 16 units; and

e). Olive View/UCLA Medical Center, 2 units.

There will be no additional compensation for service calls and/or emergency service calls as described in Subparagraph E, Sections 2 and 3, of the CONTRACTOR RESPONSIBILITIES paragraph.

Invoices will be generated on approximately the 20th of each month for current month's service and mailed to each County facility serviced by Contractor. Invoice payment terms are net 30 days. Said monthly payments are based on the number of WSP units at the County facility, the number of which may increase or decrease.

In extreme conditions, depending on local conditions and water quality, where cleaning may be needed sooner than two (2) weeks, the same rate of \$50.00 will apply."

4. Exhibit A-2 of the Agreement, shall be amended to add Paragraph 4, ADJUSTMENTS IN EQUIPMENT COVERED UNDER THIS AGREEMENT, as follows:

"4. ADJUSTMENTS IN EQUIPMENT COVERED UNDER THIS AGREEMENT:

A. Director may, from time to time, add additional equipment currently covered under warranty, extended warranty, or purchase order as such warranty, extended warranty, or purchase order expires, up to ten percent (10%) of the maximum obligation, or delete equipment covered under this Agreement, as appropriate.

B. Any adjustments under this Paragraph shall be based on the rates, by type of equipment, listed and referenced herein, in this Exhibit A-2. In the event the equipment being added is not listed herein, the maintenance and repair rates for that equipment shall be the rates paid by County under the warranty or extended warranty or ten percent (10%) of the purchase price of the equipment, as appropriate. Director shall determine the purchase price of the equipment."

5. Paragraph 29, CONSIDERATION OF GAIN PROGRAM PARTICIPANTS FOR EMPLOYMENT, of the ADDITIONAL PROVISIONS, shall be amended to read "CONSIDERATION OF COUNTY DEPARTMENT OF PUBLIC SOCIAL SERVICES GREATER AVENUES FOR INDEPENDENCE PROGRAM AND GENERAL RELIEF OPPORTUNITY FOR WORK PROGRAM PARTICIPANTS FOR EMPLOYMENT", and shall be replaced with the following paragraph:

"29. CONSIDERATION OF COUNTY'S DEPARTMENT OF PUBLIC SOCIAL SERVICES GREATER AVENUES FOR INDEPENDENCE PROGRAM GENERAL RELIEF OPPORTUNITY FOR WORK PROGRAM PARTICIPANTS FOR EMPLOYMENT: Should Contractor require additional or replacement personnel after the effective date of this Agreement, Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence ("GAIN") Program or General Relief Opportunity for Work ("GROW") Program, who meet Contractor's minimum

qualifications for the open position. The County will refer GAIN/GROW participants by job category to the Contractor.

In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority."

6. Paragraph 21, CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM, of the ADDITIONAL PROVISIONS, shall be replaced in its entirety with the following:

"21. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through contract are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the federal Social Security Act [(42 USC section 653 (a))] and California Unemployment Insurance Code section 1088.55, and shall implement all lawfully served Wage and Earnings Withholdings

Orders or Child Support Services Department ("CSSD") Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure section 706.031 and Family Code section 5246 (b)."

7. Paragraph 22, TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM, of the ADDITIONAL PROVISIONS, shall be replaced in its entirety with the following:

"22. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 21, "CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM" Paragraph, immediately above, shall constitute default by Contractor under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement failure of Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which County may terminate this contract pursuant to the Termination for Insolvency and Default Paragraph of this Agreement [or "Term" Paragraph of this Agreement, whichever is applicable] and pursue debarment of Contractor, pursuant to County Code Chapter 2.202."

8. Paragraph 26, CONTRACTOR RESPONSIBILITY AND DEBARMENT, of the ADDITIONAL PROVISIONS, shall be replaced in its entirety with the following:

"26. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor under this Agreement or other contracts which indicates that Contractor is not responsible, County may, in addition to other remedies provided under this Agreement, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time not to exceed three (3) years, and terminate this Agreement and any or all existing contracts Contractor may have with County.

C. County may debar a Contractor if the Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated any term of this Agreement or other contract with County or a

nonprofit corporation created by the County, (2) committed any act or omission which negatively reflects on Contractor's quality, fitness, or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by the same, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before County's Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an

opportunity to object to the tentative proposal decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

G. These terms shall also apply to any subcontractors/subconsultants of Contractors."

9. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By _____
Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

MERRY X-RAY CHEMICAL CORPORATION
Contractor

By _____
Signature

Printed Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM
BY THE OFFICE OF COUNTY COUNSEL

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Irene E. Riley, Director
Contract Administration

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09/02/04